CONFIDENTIAL CIRCULAR TO AGENTS.

The Federal Life Assurance Co

HAMILTON, ONTARIO.

●

POINTERS ON INVESTMENT INSURANCE.

●

It must be plain to every person seeking investment insurance that two or three things are necessary in a Company to enable it to give the best possible returns to its policy-holders in the shape of profits. One of these conditions is that it must be economical in its management expenses.

In order to judge of the economy practiced by the various Companies some uniform test must be applied to them, and it is very important that the test should be a fair one.

To the test which we propose to apply and illustrate no one can take exception, viz.:—The ratio of expenses of management to each one thousand dollars of mean amount of insurance in force during the year.

The ratio of expenses to income, improperly used by some writers, is manifestly unfair, as in some Companies the income is largely made up from interest on investments of the Policy-holders money, which portion of the income comes in almost entirely free of cost, though by this test we do not fear comparison if age is taken into account.

The former test, however, is fair alike to all, and by its use the figures in the last Dominion Blue Book show as follows:

Percentage of Expenses to each $1000 of Insurance in Force.

CANADIAN COMPANIES.

Canada Life	6.15
Confederation	8.82
Dominion	11.93
Excelsior	17.43
Federal Life	**8.16**
Great West	17.02
London Life	16.61
Manufacturers	11.84
North American	10.19
Ontario Mutual	6.43
Sun Life	12.90
Temperance and General Life	9.41

AMERICAN COMPANIES.

Ætna	8.42
Equitable	8.89
Germania	11.61
Mutual Life	11.59
New York Life	10.59

Another important condition is that it must keep its funds safely invested to earn as high a rate of interest as possible. The *Insurance and Finance Chronicle*, of December 15th., 1895, in discussing this subject, gives the following figures:

Rate of Interest Earned on Investments.

CANADIAN COMPANIES.

Canada Life	5.19
Confederation	4.50
Dominion	5.27
*Excelsior	3.38
Federal Life	**6.46**
Great West	5.56
London Life	5.63
Manufacturers	5.12
North American	5.28
Ontario Mutual	5 87
Sun Life	6.01
Temperance and General Life	4.90

AMERICAN COMPANIES.

Ætna	5.20
Equitable	4.46
Germania	5.02
Mutual Life	4 77
New York Life	4.70
Provident Savings	5.58
Union Mutual	4.65
United States	4.98

BRITISH COMPANIES.

British Empire	4.45
London and Lancashire	4.30
Standard Life	4.33

These figures show that in regard to economy of management and rate of interest earned on investments the Federal occupies an enviable position.

These conditions, together with its high ratio of assets to liabilities, should be sufficient to enable any person desiring to secure the best possible investment insurance to decide at once in favor of the Federal Life Assurance Company, of Hamilton, Ontario.

We have paid to our Policy-holders during the last five years the large sum of $729,587.00 for death claims, matured endowments, surrender values, and dividends, and have increased our assets during the same period by $224,046.00.

Trusting that the above pointers may materially assist you in your work,

I am, yours truly,

S. M. KENNEY, *Superintendent.*

*Not given in *Insurance and Finance Chronicle.*

Form 207-1-96.1 m.